

Emerging Technologies Commercialization Corporation
(HB 3209 by Finnell/Brown)

DIGEST: HB 3209 would have created the Emerging Technologies Commercialization Corporation, governed by a 15-member board with an 85-member advisory board, both appointed by a two-thirds vote of a panel consisting of the governor, lieutenant governor and speaker from persons nominated by the deans of appropriate colleges at institutions designated by the Texas Higher Education Coordinating Board. The corporation would have chosen technology projects with the most potential to be commercialized and would have helped them obtain rights to intellectual property and capital to bring the products to market. The corporation would have been required to have a royalty interest in the project. Half the royalty proceeds would have been deposited in the State Treasury and used for educational purposes. The corporation could have received state funds, except for money from the General Revenue Fund.

GOVERNOR'S
REASON
FOR VETO:

This corporation would fulfill the same role as the new Product Development Advisory Board that will be established pursuant to HB 362 to make loans for the commercialization of products out of a special fund administered by the the Texas Department of Commerce. The Product Development Advisory Board will assist in the evaluation and development of innovative technologies and products in an effort to enhance our state's economic development. There is no need to have two separate corporations that would have the same charter and facilitate the same goal.

RESPONSE:

Rep. Charles Finnell, the author of HB 3209, said the bill was "a bipartisan effort to transform emerging Texas technologies into new jobs. The bill provided for a public corporation to receive part interest in intellectual properties in return for aid in securing funds to commercially develop new technologies." Rep. Finnell noted that the bill had Democratic and Republican co-sponsors in both houses and required no appropriation. "I can't think of a single valid reason why the governor would object to it," he said.

"It's unfortunate we won't be allowed to try an innovative way to diversify our economy when it really